



16555 SATICOY STREET • VAN NUYS, CALIFORNIA • TWX VAN NUYS 7081 • STATE 1-2121

August 5, 1959

**Hills McCanna Co.
3025 N. Western Ave.
Chicago, Illinois**

Attention:

STAT

Subject: Notice of ~~(Revoked)~~ Termination of Marquardt Purchase Order
and/or Subcontract No. (s) **11-2-1-982018**

Gentlemen:

1. This letter will confirm our telegram to you dated **July 16, 1959** terminating ~~(Revoked)~~ our purchase order and/or subcontract no. **11-2-1-982018** held by you. Such termination is effective on the date and in the manner stated in such telegram, reference to which is hereby made. Pursuant to such wire, you are hereby instructed immediately to:

a. Stop all work, make no further shipments and place no further orders and/or subcontracts, except: (1) to the extent necessary to perform any part thereof not terminated by this notice, or, (2) to the extent that you may wish to retain or continue any work in process or other materials for your own account. If you feel that you should continue any work in order to prevent undue loss to Marquardt and/or the Government for reasons of safety, or to clear (to avoid damage to) equipment, contact us immediately by the quickest means and obtain instructions.

b. Terminate existing orders or subcontracts issued by you relating to the work terminated by the aforementioned wire and confirmed by this notice. In terminating such orders or subcontracts, give each vendor or subcontractor the same instructions as are contained in these sub-paragraphs a. and b., and request him to give similar notice and instructions to his immediate vendors or subcontractors who will be affected.

2. Settlements with your vendors or subcontractors are to be made in general conformance with Section VIII of the Armed Services Procurement Regulations. You are required to certify that you have examined your immediate subcontractors' claims and that the settlements are fair and reasonable, are allocable to the terminated portion of the purchase order or subcontract, were negotiated in good faith, and are not more favorable to the subcontractor than if reimbursement by the Government were not involved. A standard form of certification is shown on the Settlement Proposal Form (DD540) and in ASPR Section VIII, which also requires you to obtain similar certificates from your immediate subcontractors.

3. If you find that you will have no termination charges as a result of this termination, please complete and return along with this notice the No-Cost Settlement Agreements attached.

- 2 -

4. If you have termination charges to present, you are requested to file your claim on the Inventory Basis as soon as possible using Department of Defense Forms which are illustrated in ASPR, Section VIII. These forms may be obtained from the nearest Government Procuring Agency, or requested directly from Marquardt, stating the type of forms and quantity desired.

5. You are hereby advised that you may obtain advice on the preparation of your settlement proposal from your local Government Representative. You are further advised that your proposal may be examined by Government auditors and inspectors. Inventory descriptions should be adequate for disposal and screening purposes and your settlement proposal should be supported by accounting and other data sufficient for adequate review and negotiation purposes. Essentially, the procedures to be followed are based upon applicable requirements of Section VIII of Armed Services Procurement Regulations.

6. The number of copies of forms required is as indicated below:

Settlement Proposal:

DD Form 540 (Inventory Basis)

6

DD Form 831 (Short Form - Less than \$1,000)

4

Inventory Schedules:

DD Forms 542 - 545

6

DD Form 832 (To be used with DD Form 831)

4

Schedule of Accounting Information

DD Form 546

4

7. Please acknowledge receipt of this notice as shown below and address all future correspondence concerning this termination to: Termination Administrator, The Marquardt Corporation, 16555 Satcoy Street, Van Nuys, California.

Very truly yours,

THE MARQUARDT CORPORATION

Purchasing Agent

ACKNOWLEDGEMENT OF NOTICE

The undersigned hereby acknowledges receipt of a signed copy of the foregoing notice on _____
One copy of this notice, signed, is returned herewith.

Our estimated charge will be \$ _____ No-Cost Settlement attached.
(Such estimate will not be binding as to actual charges.)

(NAME OF SUBCONTRACTOR)

By: _____

Title: _____

Attachments